

4191
~~SECRET~~
~~SECRET~~

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
1999

27 March 1967

Mr. George C. Denney, Jr.
Acting Director
Bureau of Intelligence and Research
Department of State

Dear George:

Per our telephone conversation I am forwarding as requested in your letter to the Director of 15 March, a working draft which discusses the role of Communist countries in supplying military and economic aid to North Vietnam.

The available data do not permit a breakdown of aid deliveries by quarter nor do they allow estimates of the volume of rail shipments for specific periods. We have provided a breakdown of military aid by category, but cannot supply a similar breakdown for economic aid. If it would be useful to you we can, with further work, furnish a crude breakdown of economic aid by category through 1965 for the USSR and Poland alone.

Please let me know if I can be of any further assistance to you.

Sincerely,

Director
Research and Reports

Attachment:
a/s

(S-2250)

~~SECRET~~
~~SECRET~~

~~SECRET~~

THE ROLE OF FOREIGN AID IN NORTH VIETNAM'S
MILITARY AND ECONOMIC EFFORT

North Vietnam's ability to maintain an effective military force, to furnish continued logistic support to Communist forces in South Vietnam, and to withstand the effects of the allied bombing is largely dependent on the continued receipt of material aid from other Communist countries. The USSR and Communist China, which have been the principal suppliers of military and economic assistance to Hanoi, considerably increased their assistance in response to the allied air offensive against North Vietnam. In general, both suppliers have furnished that type of assistance most compatible with their available resources. In the area of arms aid, for example, the USSR has provided the bulk of the equipment, including the more sophisticated air defense systems, while Communist China has supplied most of the lighter weapons and manpower for technical assistance. In value terms the USSR has been the leading supplier, accounting, since 1965, for more than 80 percent of the military aid and over 55 percent of the economic aid. The Eastern European Communist countries have extended only negligible amounts of military assistance but accounted for 15 percent of the economic aid during the period. The remainder is almost entirely assistance from Communist China. Except for North Korea, aid from other Communist countries, including Cuba has been insignificant. North Korea has a small air force contingent in North Vietnam for pilot training.

A. Communist Military Aid to North Vietnam

1. Role of Military Aid in the War Effort

The military assistance provided by the USSR and Communist China has been a key element in North Vietnam's military capability and in its attitude toward continuing the war. The importance of this assistance has been frequently attested to in Vietnamese public statements. In Hanoi's view, Communist military support provides at least a semblance of protection which inhibits further allied military pressure on North Vietnam and helps to negate the effects of the bombing. The North Vietnamese also regard this aid as extremely valuable in sustaining the military pressure that can be brought to bear in South Vietnam. Finally, Hanoi hopes that Soviet and Chinese aid serves to warn the US that North Vietnam can count on support from the Communist camp despite the Sino-Soviet rift.

~~SECRET~~

~~SECRET~~

2. Estimated Magnitude and Value of Military Deliveries

Although Communist deliveries of military equipment to North Vietnam cannot be quantified precisely, it is estimated that from January 1965 to March 1967, these deliveries totaled about \$670 million, compared with only \$140 million during 1953-64. Approximately four-fifths of the total provided since the beginning of 1965 has come from the USSR and the balance from Communist China (see Table 1). The contribution of other Communist countries has been negligible.

Table 1

Estimated Value of Soviet and Chinese Communist Deliveries
of Military Equipment to North Vietnam
1953-March 1967*

	Million US \$		
<u>Year</u>	<u>Total</u>	<u>USSR</u>	<u>Communist China</u>
Total 1953-64	<u>140</u>	<u>70</u>	<u>70</u>
1965	260		
1966	320		
January-March 1967	90		
Total 1965-March 1967	<u>670</u>		
Total 1953-March 1967	<u>810</u>		

* Estimates do not include the value of military infrastructure and facilities.

Although deliveries in the first quarter of 1967 continued at a high level, deliveries during all of 1967 are not expected to exceed the level of 1966, barring the introduction of new weapons systems such as coastal defense missiles.

Nearly 90 percent of Soviet aid (about \$540 million) has been delivered since 1 January 1965. From 1953 to 1964 Soviet military deliveries to North Vietnam totaled about \$70 million and consisted mainly of artillery, small arms, about 75 transport and

~~SECRET~~

trainer aircraft, and 20 small naval craft. In 1965 the character of Soviet aid changed drastically as the emphasis shifted to the rapid development of an air defense system and radar network.

About 65 percent (\$130 million) of the estimated \$200 million worth of Chinese Communist military aid has been delivered since the beginning of 1965. Earlier deliveries largely consisted of some MIG-15/17 jet fighters, 30 Swatow-class motor gunboats, and a variety of artillery, small arms, and ammunition.

The primary Chinese contribution has been that of providing small arms, trucks and other vehicles, some small naval craft, military technical assistance, and technicians and laborers for military-related construction activities (see Table 3).

Although direct military assistance supplied by the Eastern European Communist countries and Cuba has been negligible, the former have supplied a wide range of defense support-type equipment regarded as essential for the maintenance and reconstruction of transportation and communication lines and for key industrial sectors involved in the country's military effort. This category of aid has included POL, medical supplies and pharmaceuticals, general purpose vehicles, construction supplies and equipment, heavy industrial machinery, cargo barges, pontoon bridge sections, and small quantities of sporting rifles and ammunition. Deliveries of such aid are included in the economic category.

3. Military Technical Assistance

In addition to providing military equipment, both the USSR and Communist China have provided military advisers and technicians. The Chinese contribution in this area has been far greater than that of the USSR. It is estimated that between 25,000 and 50,000 Chinese support troops are in North Vietnam working on the construction, repair, and defense of transportation facilities. An unknown number of Chinese military personnel also are employed in the training of North Vietnamese troops.

In contrast, the number of Soviet military technicians probably did not exceed 2,500 in the peak year of 1965, when the USSR exercised operational control of the SAM system. Since then, the role of Soviet technicians has been essentially one of advising

~~SECRET~~

Table 2

Soviet Military Aid to North Vietnam
1953-March 1967

	1953-March 1967	
	Quantity (Units)	Value (Million US\$)
Total value		<u>610.0</u>
Surface-to-air missile firing battalions	<u>30</u> 214	<u>158.8</u> 68.1
Naval craft	<u>20</u>	<u>8.2</u>
Armor (tanks, armored vehicles, self-propelled guns)	<u>150</u> 5,663	<u>5.4</u> <u>120.9</u>
Radar	<u>269</u>	<u>51.1</u>
Trucks and vehicles	<u>2,300</u>	<u>11.5</u>
Small arms and infantry weapons		<u>28.0</u>
Ammunition		<u>158.0</u>

~~SECRET~~

~~SECRET~~

Table 3

Chinese Communist Military Aid to North Vietnam
1953-March 1967

	1953-March 1967	
	Quantity (Units)	Value (Million US\$)
Total value		<u>200.0</u>
Aircraft	44	5.7
Naval craft	50	32.2
Trucks and vehicles	2,800	13.2
Small arms and infantry weapons		64.3
Ammunition		<u>58.0</u>
Radar	174	15.1

~~SECRET~~

rather than one of operational control. It is currently estimated that the number of Soviet military technicians in North Vietnam ranges from 1,000 to 1,500. In addition to those associated with the SAM system, other Soviet technicians are engaged in flight training, aircraft maintenance, and logistic support activities. A small North Korean contingent of about 50 flight personnel is also providing training for the North Vietnamese air force.

B. Communist Economic Aid to North Vietnam

Economic aid deliveries to North Vietnam from Communist countries are estimated at \$150 million for 1965 and \$275 million for 1966. This increasing level of deliveries is expected to slow down in 1967, more because of probable North Vietnamese inability to absorb much further increase at this time than because of reduced Communist willingness to support the war.

The USSR has been the major contributor in both 1965 and 1966, replacing Communist China as North Vietnam's principal supplier, at least in value terms. In 1966, the Eastern European Communist countries also increased their aid deliveries significantly, as shown in the following tabulation of Communist aid to North Vietnam for 1965-66:

	<u>Million US \$</u>	
	<u>1965</u>	<u>1966</u>
Total	<u>150</u>	<u>275</u>

In addition, insignificant amounts of aid have been extended by Cuba, Mongolia, and North Korea.

A good indicator of the rise in Communist aid is the increase in North Vietnam's consistently large deficit in trade with the Communist countries, especially with the Soviet Union (see Table 4). This deficit amounted to \$100 million in 1965, and preliminary trade statistics support the estimate of a greatly increased deficit in 1966. With North Vietnam unable to clear these accounts, this imbalance can be considered as economic aid and may well be written off as grant aid eventually.

Another indicator of the increased level of economic aid has been the increased volume of seaborne shipments to North Vietnam in 1966, which consists overwhelmingly of economic aid deliveries.

-6-
~~SECRET~~

~~SECRET~~

Table 4
North Vietnam's Foreign Trade with Communist Countries
1964-66

Million US Dollars						
	1964		1965		1966 a/	
	Exports	Imports	Exports	Imports	Exports	Imports
Total	<u>78.6</u>	<u>118.2</u>	<u>80.4</u>	<u>179.8</u>	n.a.	n.a.
USSR	<u>30.2</u>	<u>47.2</u>	<u>30.6</u>	<u>74.9</u>	n.a.	n.a.
Eastern Europe	<u>22.3</u>	<u>14.8</u>	<u>26.6</u>	<u>29.7</u>	n.a.	n.a.
Bulgaria	1.6	1.3	2.4	2.4	n.a.	n.a.
Czechoslovakia	7.4	4.4	7.2	9.7	2.3	7.4 (6 mos)
East Germany	5.2	2.9	6.1	4.9	n.a.	n.a.
Hungary	2.6	2.7	3.7	5.3	n.a.	9.6 (12 mos)
Poland	2.9	2.1	5.1	4.0	3.4	8.6 (11 mos)
Rumania	2.6	1.4	2.1	3.4	n.a.	n.a.
China b/	<u>25.0</u>	<u>55.0</u>	<u>20.0</u>	<u>70.0</u>	n.a.	n.a.
Cuba	<u>0.9</u>	<u>1.0</u>	<u>3.0</u>	<u>5.0</u>	n.a.	n.a.
Other Communist	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	n.a.	n.a.

a/ For indicated period of months in 1966 where available.

b/ Estimate.

No military weapons have been observed coming to North Vietnam by sea. In 1966, the number of ship arrivals fell by more than 25 percent, but the volume of imports rose sharply (up one-third). This trend seems likely to continue in 1967.

North Vietnamese imports from the Communist countries have generally been the type that would aid industrial development and include complete plants, transportation and construction equipment, machinery, POL, and light manufactured goods. Machinery and equipment to repair and restore bomb damaged facilities and to increase the war-supporting potential of industry are also included. Consumer goods account for only a small quantity of imports, and aid in the form of food has been a significant item only from China. Recently, however, there seems to be a sharp increase in the amount of food imported in an apparent effort to compensate for the shortfalls in the 1966 harvests.

Several major new aid agreements were signed in September 1966. Most of these agreements extend into 1967 and should cover at least the first few months of 1967. All agreements since September have been primarily for the training of North Vietnamese students.

C. Reliability of Information

The numbers and types of aircraft and naval vessels in the North Vietnamese inventory have been confirmed by aerial photography, and the number of radar installations has been established.

Data on the numbers of SAM and AAA sites are somewhat less firm, having been estimated on the basis of photography, and pilot sightings. Some problem arises in determining what portion of the equipment is Soviet or Chinese, but the estimates shown are regarded as generally correct orders of magnitude. Data on the amount of ammunition supplied are based on estimated rates of expenditure.

Following our usual procedure, we have estimated the value of this equipment on the basis of Soviet trade prices for comparable equipment supplied to the less developed countries of the Free World under the Soviet military aid program. The values are not intended -- and are not suitable -- for comparison with valuations of military deliveries that reflect US prices. Use of US prices would considerably inflate our estimates of the value of the aid supplied.

Although the possibility that some Soviet military equipment may have been delivered by sea cannot be ruled out, we are confident that no major weapons system could have gone into North Vietnam by sea without detection by US intelligence. We therefore estimate that the major items of military hardware for North Vietnam have been delivered by means of the Chinese rail system. Sea transport has been used largely for commercial goods, including those in the defense-support category, e.g., trucks and construction equipment. The USSR also has delivered by sea some Mi-6 helicopters -- which have a dual civil and military use -- and some spare parts for transport aircraft. The public debate between the USSR and Communist China concerning the transit of Soviet military goods, as well as other information, reinforces our judgment that military goods have moved by rail rather than by sea.

At the same time, there is little available information on rail shipments through China. We are unable to specify periods of heavy or light traffic. There is no evidence, however, to indicate that exceptional delays have occurred in the movements of goods by rail to North Vietnam.

The sources for the economic aid estimates are from press, FBIS, and similar reporting on aid agreements; from trade statistics from Communist country handbooks or from extrapolations based on partial or previous trade statistics;

seaborne shipments to North Vietnam. Reporting on aid agreements since 1964 has been limited and information on level and composition of aid in 1965 and 1966 are primarily from trade data and shipping reports. Trade statistics, complete for 1965 and partial for 1966, show a continuing sharp rise in imports by North Vietnam and a continuation of the commodity composition reported for earlier periods. These data are consistent with the commodity composition and volume figures on cargoes.